

REMARKS

Claims 12, 20, and 22-31 are pending in this application. By this Amendment, claim 25 has been amended as set forth above. Claim 28 has been cancelled without prejudice or disclaimer to the subject matter therein. New claim 32 has been added. No fee is believed due with respect to new claim 32, because it takes the place of cancelled claim 28. It is respectfully submitted that the pending claims define allowable subject matter.

Initially, the Applicants note that claims 12, 20, and 22-24 have been allowed. Additionally, claim 28 was objected to but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

Claims 25-27, 29, and 31 stand rejected under 35 U.S.C. 103(a) as being unpatentable over United States Application Publication 2001/0045826 ("Schneider") in view of United States Patent No. 6,369,564 ("Khalfin"). Claim 30 stands rejected under 35 U.S.C. 103(a) as being unpatentable over Schneider, in view of Khalfin in view of United States Patent No. 6,636,757 ("Jascob"). The Applicants respectfully traverse these rejections at least for the reasons set forth below.

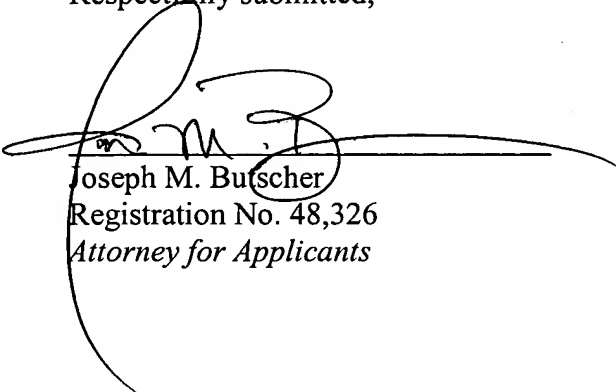
Claim 25 has been amended to recite the limitations recited in previously pending claim 28. As noted above, the Office Action objected to claim 28 as being dependent upon a rejected base claim. *See* February 24, 2005 Office Action at page 4. The Applicants respectfully submit that the combination of Schneider and Khalfin does not teach, nor suggest, an electromagnetic tracking system in which the processor "models the generating and sensing units to generate modeled signal data and fitting said modeled signal data to measured signal values to determine coordinates and orientations of said field generating and field sensing unit." Thus, at least for this reason, claim 25 and the claims that depend therefrom should be in condition for allowance.

If the Examiner has any questions or the Applicants can be of any assistance, the Examiner is invited to contact the Applicants. No fee is believed due with respect to the newly added claims due to the fact that the total number of pending claims does not exceed 20, and the total number of independent claims does not exceed 3. The Commissioner, however, is authorized to charge any necessary fees or credit any overpayment to Account No. 07-0845.

Respectfully submitted,

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